K4D Knowledge, evidence and learning for development

Technical assistance and capacity building in institutional reform: lessons learned

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Question

What lessons has the UK learned about the effectiveness of technical assistance and capacity building on improving overseas institutions?

Contents

1. Summary

Technical assistance[1] (TA) is one of the most commonly used delivery mechanisms in international development assistance, however evidence on its effectiveness is limited. Due to recent K4D reports on TA (see Ismail, 2018 and Timmis, 2018) and relationships in soft power building (see Quak, 2019), this rapid review does not go into detail about the differences and similarities between TA and capacity building. But notes that these terms, although distinct from one another, are often used interchangeably in the literature. This rapid review hence focuses in on the literature around UK funded TA and its effectiveness in institutional reform (although literature on this is limited).

This rapid review is non-exhaustive and uses only publicly available resources. Sources were broadly from grey literature, especially donor organisations (including evaluations), the private-sector and think tanks, although academic literature was also included. This rapid review mostly avoided the same literature as referenced in Timmis (2018) and Ismail (2018), to prevent duplication, although some papers were included for completeness. The literature broadly overlooks gender and disability issues.

As highlighted in numerous studies, evidence on the effectiveness of TA is limited (Cox and Norrington-Davies, 2019). Furthermore, there is also a lack of strong evidence on the effectiveness of the new paradigm for context-specific, politically informed and adaptive delivery models of TA (although given its relatively recent emergence, this is not unexpected) (Dasandi et al., 2019). There is a need for further research to consider more rigorous and structured testing of what works, where, why and how, testing some of the common assumptions about what works in terms of the new paradigm of TA.

This review highlights the lessons learned from a number of UK-funded reform programmes with TA elements (reviews with insights from USAID and Danida, Norad and Sida were also included in the final section). Some of these UK-funded programmes have taken on more adaptive, flexible approaches to TA, reflective of the recent emergence of the new paradigm referred to above. Learnings from different programmes generally reflect similar aspects of capacity building and are often stated only in highly general terms. The degree to which learnings are taken on board by programmes or other UK programmes to improve practice could not be established. General themes emerging from the learnings include:

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[1] There are various definitions of technical assistance, capacity building and capacity development; this review does not go into detail about these differences (see Timmis, 2018). Although capacity building is still widely used, a new term "capacity development" has become the favoured choice of the development community. While "capacity building" suggests building something new from the ground up, according to a pre-imposed design, "capacity development" is believed to better express a flexible approach that builds on existing skills and knowledge (Zamfir, L. (2017). *Understanding capacity-building/capacity development*. European Parliamentary Research Service. http://www.europarl.europa.eu/RegData/etudes/BRIE/2017/599411/EPRS_BRI(2017)599411_EN.pdf). The OECD's Development Assistance Committee (OECD-DAC) understands capacity "as the ability of people, organizations and society as a whole to manage their affairs successfully… "Capacity development" is understood as the process whereby people, organizations and society as a whole unleash, strengthen, create, adapt and maintain capacity over time." (OECD-DAC. (2006). *The Challenge of Capacity Development – Working towards good practice*. DAC Guidelines and Reference Series. Paris: OECD: 4 - 5. http://www.oecd.org/env/outreach/40695940.pdf). The OECD defines technical assistance (or technical co-operation) as "the provision of know-how in the form of personnel, training, research and associated costs" to "augment the level of knowledge, skills, technical know how or productive aptitudes of people in developing countries" (see https://www.oecd.org/site/dacsmpd11/glossary.htm#T). In the literature technical assistance and capacity development are often used interchangeably, adding further complexity to the terms.

- *Local ownership* – making the project relevant to local priorities, invest in local teams and use local systems.
- *Shared vision* – focus on problems that are priorities for partners and where reform has built-in traction.
- *Understanding context is key* – need to take the time to understand this and the political dynamics. Purely technical solutions are not enough, importance of thinking and working politically.
- *Learn and adapt* – learning by doing and adapting during implementation is crucial.
- *Dealing with complexity* – Capacity development interventions typically take far longer to implement and are more contested than envisioned, and they rarely respond to detailed design or linear execution. Important to recognise the limitations of TA.
- *Multi-actor processes* – need to build the constituency for delivering change at multiple levels with multiple actors, adopting a system wide approach.
- *"Soft" skills are important* – soft skills (i.e. developing and sustaining relations of trust and credibility with partners, leadership skills) underpin successful TA, incentives that reinforce broader change are also important.
- *Timings and strategy* – need for realistic timeframes (adaptive management approaches and capacities take time) and realistic planning, expectations and outputs based on thorough assessment. There are multiple entry points and tools.
- *Improved monitoring and evaluation* – measure the right things (linear cause and effect models do not always work, and there are often difficulties in defining a "result") and be flexible in approach.
- *Improved donor processes and systems* – existing systems are not always appropriate for encouraging adaptive, flexible TA. Value for Money analysis is difficult to apply to TA. More sophisticated management and investment in management is needed for adaptive programming.

2. Institutional reform and TA

Issues with donor-led public sector institutional reform

Leitch (2019: 115) summarises issues around donor-supported institutional reform, including the interpretation of the inherently political process of institution building as a largely technical problem, and reliance on imported ideal-type solutions with limited relevance to what can be accomplished in practice. He emphasises that "institutions are context specific and not amenable to a quick fix, and donors are better advised to focus on "best fit" rather than "best practice" solutions." Leitch (2019: 115) further argues that "there should be less focus on ambitious programmes to strengthen formal state capacity and more on understanding the shadow interests and relationships which underlie the functioning of state institutions." Donors need to make improved "political awareness of the local situation […] the starting point of their interventions rather than a set of preconceived technical solutions" (Leitch, 2019: 115). Leitch (2019: 123) concludes that "The shallow engagement of fixed-term technical assistance programmes with complex challenges only serves to exacerbate the pitfalls and limitations on promoting institutional reform."

Various researchers have highlighted how many countries have adopted reforms without seeing improved measures of government effectiveness or quality (Andrews, 2013; Denney et al., 2017); furthermore, most research into the effectiveness of public sector reform programmes is “not sufficiently systematic and comparative to allow clear and generalizable lessons” (Bunse and Fritz, 2012: 6 cited in Cummings, 2015: 316).

There are few examples of effective reform programmes. This could be related to the difficulties associated with public sector reform, such as: the tendency to ignore the complexity of the process and consider public sector reform as simply a technical task; ignoring the need for behaviour change of public sector workers, or that traditional reform programmes often involve applying best practice from Western countries to developing countries and relying on international TA to design better management systems (Cummings, 2015: 316). Joshi and Carter (2015: 1) in their topic guide on public sector institutional reform, conclude that there is “little rigorous and systematic evidence on how to design effective institutional support,” with measurement and attribution of “effective” institutional reform remaining a key challenge. Furthermore, they underline the “lack of rigorous, systematic evidence on what external support for public sector institutional reform has or has not been effective, and on how and why this is the case” (Joshi & Carter, 2015: 2).

Issues with the effectiveness of TA

TA is relatively little understood because many of its key processes are not captured by conventional systems for measuring impact and defining change (ICF, 2016: viii). Cox and Norrington-Davies (2019) recently undertook an evidence review of the TA landscape, exploring the nature and extent of TA as a form of development assistance, at the track record of traditional approaches and at the emergence of a new paradigm. They include a number of studies that highlight the challenges of assessing the effectiveness and impact of TA due to issues with monitoring and evaluating. These challenges include a lack of benchmarking of capacity at the beginning of projects and difficulties in identifying outputs and measuring less tangible outputs. Furthermore, as highlighted in a review of Sida capacity building by Carneiro et al. (2015: 109), it is difficult to isolate the contribution of donor supported capacity development due to the “large number of factors [involved in development interventions], the difficulty of precisely characterising each of them, and the interdependencies between different factors.”

Overall, Cox and Norrington-Davies (2019: ii) conclude that “[t]he evidence on whether TA ‘works’ is limited.” This rapid review has found a similar lack of evidence. Cox and Norrington-Davies (2019: ii) link this lack of evidence to a “systematic underinvestment in the monitoring and evaluation of TA, linked partly to methodological difficulties in measuring and attributing results.” They argue that TA has a pattern of repeated failure as similar TA projects have been repeated for decades in the same contexts, and there is “little evidence of cumulative impact, leading to better development outcomes over time” (Cox & Norrington-Davies, 2019: ii). Although they acknowledge that there is some evidence that TA “has generated ‘islands of capacity’” (Cox & Norrington-Davies, 2019: ii). The limited record of success is often attributed to weaknesses in TA delivery, which tends to be supply driven, reflecting donor reform agendas rather than national priorities. Other criticisms highlighted (echoing those highlighted by Leitch, 2019 above) include the weakness of the theory underpinning TA, which is based on simplistic assumptions, pursuing technical solutions to what are often political challenges, and trying to transplant Western institutional models and best practice standards into non-Western contexts (Cox &

Norrington-Davies, 2019: ii). Andrews (2013) also argues for donors to be modest in their expectations of what can be achieved by externally influenced reform.

The new paradigm of TA

On the basis that traditional approaches to public sector transformation and institutional reform have not had the desired impact, an adaptive approach to development is becoming increasingly mainstream (e.g. problem-driven iterative adaptation) (see Derbyshire & Donovan, 2016; 5). Furthermore, "[d]evelopment practitioners now largely agree that for TA to be effective and sustainable, it needs to include a focus on individuals, organisations and institutions," and it includes a wide range of practices (e.g. training programmes, on-the-job coaching and mentoring, the "twinning" of institutions, flexible TA facilities, etc.) (Cox & Norrington-Davies, 2019: ii). A new conceptualisation of TA has emerged in recent years, which "understands institutional failures in terms of power and politics, rather than capacity gaps" (Cox & Norrington-Davies, 2019: iii). There are a number of different names given to these new adaptive, flexible approaches, such as Doing Development Differently, Thinking and Working Politically, Problem-Driven Iterative Adaptation. Commonalities include localised and contextual solutions based on political and economic analyses; beginning with problems, rather than solutions, and using problem-solving methods; working iteratively towards incremental improvement in existing capacity, and locally driven in identifying problems and solutions (Cox & Norrington-Davies, 2019: iii).

Some donors (including the UK, see ACT, LASER and SAVI examples in Section 4) are starting to make use of these new approaches, experimenting with new programme models. However, traditional approaches to TA still dominate and uptake of new approaches remains limited, with donor systems and procedures often limiting full commitment. The literature also cautions against a mere shift in rhetoric from the new approaches rather than practice (Cox & Norrington-Davies, 2019: 39). Furthermore, due to its recent emergence, there is limited evidence of this new paradigm's effectiveness (Cox-Norrington-Davies, 2019). A recent article by Dasandi et al. (2019) provides a critical review of the evidence on "thinking and working politically" in development, and concludes that there is not yet a strong enough evidence base that shows these efforts has significantly improved aid effectiveness. Furthermore, they argue that "[m]uch of the evidence used so far to support these approaches is anecdotal, does not meet high standards for a robust body of evidence, is not comparative and draws on a small number of self-selected, relatively well-known success stories written primarily by programme insiders" (Dasandi et al., 2019: 155).

3. General lessons from capacity development

Limitations

The Secure Livelihoods Research Consortium (SLRC), funded by UK aid from the UK government, Irish Aid and the EC, conducted a series of studies on state capacity in eight countries,[2] focusing on the ways in which international actors attempt to build the capacity of states in fragile and conflict-affected situations to deliver services (Denney et al., 2017). Their

[2] Afghanistan, the Democratic Republic of the Congo (DRC), Nepal, Pakistan, Sierra Leone, Sri Lanka, South Sudan, and Uganda.

analysis highlights “the narrow and largely apolitical ways in which capacity development is operationalised,” with four key synthesis findings emerging (Denney et al., 2017: v):

- *Training is the default tool of capacity development.*
- *Power and politics are central to how services are delivered, but capacity development often concentrates on technical aspects.*
- *Capacity development currently focuses on (parts of) the state, largely overlooking “alternative” capacities and how people use services in practice.*
- *Getting beyond the system’s “units” to engage with “systemic capacity” remains an ongoing challenge.*

They acknowledge that these findings may not seem surprising, and that much is already known about capacity development’s limitations, which they argue are actively sustained by the political economy of the aid industry (i.e. short timeframes, quantitatively-driven results reporting, risk aversion and an emphasis on technical rather than political and contextual skills and knowledge) (Denney et al., 2017: 28). They argue that there is a fundamental need for “a re-politicisation of capacity development, to acknowledge that it is ultimately about fostering social and political change” (Denney et al., 2017: vi). Denney et al. (2017: 32) conclude that capacity development efforts need to: “avoid simplistic, short-term and easily quantifiable forms of assistance, recognise the centrality of politics, start with an understanding of how people actually access services, and be more systems-focused.”

Lessons from 25 years of capacity building

In the first chapter of *Capacity Development Beyond Aid*, Land et al. (2015) look back at how capacity development thinking and practice has evolved over the last 25 years. They highlight a number of key learnings from capacity and its development over this period, many of which are reflected in the lessons from UK funded TA programmes below. Lessons include (Land et al., 2015: 7-10):

- *Capacity, capabilities and nested levels:* One of the key achievements over the last 25 years has been a more sophisticated understanding of what capacity is.
- *Ownership of change:* Today, capacity development is regarded as a change process affecting groups of individuals, organisations, or broader systems. Capacity development is a far more involved process than one that merely transfers skills or provides resources and assets. Rather, it touches on other soft and intangible variables associated with ownership, challenging values and interests, and seizing opportunities.
- *Understanding context:* Successful and sustainable capacity development depends on understanding, navigating or responding to contextual factors that can either help or hinder the envisioned change. Context can mean different things but in essence requires thinking and acting politically. There is also an appreciation that technical solutions and perspectives are rarely sufficient. Engagement in dialogue processes, and taking account of political perspectives, are key to achieving lasting results.
- *Dealing with complexity:* Capacity development interventions typically take far longer to implement and are more contested than envisioned, and they rarely respond to detailed design or linear execution. This is especially the case when capacity development is associated with complex reform processes. Processes of change need to be managed iteratively, strategically and with a healthy dose of patience. Systems thinking and in

particular complexity theory have opened new perspectives on the underlying features of change and their amenability to controlled interventions.

- *Multiple entry points and multiple tools:* The shift from the simpler idea of skills transfer or development – essentially a human resources task – to more holistic notions of institutional reform and societal transformation, has revealed the need to think far more strategically and broadly about entry points and tools.
- *Multi-actor processes*: Development challenges are rarely resolved through the performance of a single organisation. Rather, resolving them depends on the effective engagement and mobilisation of multiple actors. The practice of capacity development is showing a gradual shift from working with single organisations towards facilitating multi-actor processes with the engagement of diverse actors including from civil society, government and the private sector.
- *Aid practices and behaviours:* Understanding and approaching capacity development from a change management perspective has challenged the donor community and implementing agencies to reflect on the way capacity development support is provided. This has brought the discourse on capacity development close to that of aid effectiveness, particularly with respect to ownership, harmonisation and alignment, and mutual accountability.

4. Lessons learned from UK-funded programmes

This section covers a selection of recent UK-funded reform programmes with TA aspects, which have identified lessons learned in relation to TA or capacity building. The effectiveness of the programmes themselves is not discussed in detail.

ACT programme

ACT (Action on Climate Today) is a five-year adaptive programme funded with UK aid and managed by Oxford Policy Management. ACT aims to strengthen systems of planning and delivery for adaptation to climate change in South Asia, and brings together two DFID programmes: the Climate Proofing Growth and Development Programme and the Climate Change Innovation Programme (Shakya et al., 2018). ACT used an adaptive programme management approach to support governments to adapt to climate change. Given the limitations of any donor-funded programme (in terms of time and financing), ACT had to identify an effective role to play in institutional capacity building for enhancing resilience to climate change. With a focus on delivering tangible change for people on the ground, ACT hence focused "on an institution's capabilities for authorising, resourcing and delivering climate action – rather than just the institutional form, policies and plans that have absorbed so much effort in other programmes" (Shakya et al., 2018: 35). A recent learning paper identifies a number of over-arching lessons from ACT in defining and delivering its capacity-building support in South Asia, as well highlighting limitations of the programme's approach. Insights include (Shakya et al., 2018: 3, 32-35):

- *Build a shared vision:* Through dialogue and careful choices of political entry points, a common vision for tackling climate change can be built within an institution to shift dominant narratives on development.

- *Learn and adapt:* Recognise that an iterative, context-specific approach that tolerates unpredictability and occasional failure is key to institutional reform in an uncertain environment. However, being adaptive and responsive has its costs.
- *Invest in "influencing" and local teams:* Build, support and then trust the intuition of the local team to seize opportunities, which is crucial to sustaining government partners' ownership.
- *Expect resistance and diffuse opposition:* Recognise that change challenges the status quo; support partners to see how climate change links to their priorities, and engage those whose interests might be jeopardised to look for new opportunities.
- *Build the constituency for delivering climate action:* Capacity-building efforts tend to focus solely on government partners, but a wider constituency of supportive actors outside government is important for building political commitment, providing expert advice and delivering adaptation. Develop the external network around government to provide new avenues for discussion and debate on climate change to constructively impact public policy.
- *Have a strategy and budget time:* Any institutional capacity-building effort should be carefully and realistically planned. This includes having a clear vision on what improvement in functional performance is sought, based on a thorough assessment of the current context, and phasing of interventions.
- *Interventions should have a realistic timeframe:* Reform processes take time. ACT's experience shows that assumptions of linear change will often lead to disappointment, and time lags are common. Time needs to be invested to consolidate gains, particularly at the initial stages, in building buy-in, trust and credibility with partners.
- A*void technical bias when building climate change capabilities:* Providing information on climate change is not enough to change behaviour. The "soft" skills of leadership and finding the right incentives help government partners incorporate new technical information and skills.
- *Measure the right things:* ACT has learned the value of donors allowing adjustment in promised results without onerous negotiation but rather as part of the expected changes in each annual review. Flexibility of approach requires flexibility of measurement from donors. Qualitative indicators that chart capacity-building may be more effective than counting numbers of people trained in a particular skill.

BCURE programme

An independent realist approach evaluation of the Building Capacity to Use Research Evidence (BCURE) programme, a £15.7 million (USD19.2 million) initiative funded by DFID from 2013–17 aimed at improving the use of evidence in decision making, highlights six overarching lessons on what works, for whom and why to build capacity for evidence-informed policymaking (EIPM). The programme consisted of six linked capacity building projects across 12 low and middle-income countries in Africa and Asia,[3] each using different interventions to promote EIPM (Vogel & Punton, 2018, pp. iv-v). BCURE had three overarching ways of working: thinking and working politically, building capacity at multiple levels in the system, and accompanying change not

[3] This evaluation focused on BCURE's work in 6 countries: Bangladesh, Kenya, Pakistan, Sierra Leone, South Africa, and Zimbabwe,

imposing it. The evaluation noted three levels of success across the BCURE portfolio (Vogel & Punton, 2018, p. 86): (tentative evidence of) significant progress towards catalysing change at scale (Bangladesh, Kenya (Parliament), and Sierra Leone); pockets of success around specific policy processes and capacitated units (Kenya (Health), Zimbabwe (Youth), Pakistan policy pilots, South Africa evidence map); and ad hoc and "one dimensional" change (all six projects).

The six lessons from BCURE include:

1. "**the importance of thinking and working politically**, taking a political economy lens to assess the context and the potential for change. Choice of an entry point to a government setting might be opportunistic, but success depends on a thorough analysis of the incentives and disincentives to consider evidence in the context. (Vogel & Punton, 2018: 88).
2. **Capacity support interventions should seek to accompany change, not impose it.** Success depends on "accompaniment," which requires a politically informed approach to help build strong local ownership, supported by a flexible approach to programme design, delivery and management (Vogel & Punton, 2018: 89).
3. **Changing individuals' behaviour is the bedrock for EIPM but requires more than building skills.** It also requires establishing or harnessing incentives that reinforce changes in practice, working to build capacity at multiple levels of the system (Vogel & Punton, 2018: 90).
4. **Specific and targeted strategies are required for a "critical mass" effect to catalyse**. It is a common assumption that training a "critical mass" of individuals will diffuse out to influence broader change – but interventions need to be designed and targeted in specific ways to leverage this effect (Vogel & Punton, 2018: 91).
5. **Supporting practical examples of evidence tools or evidence-informed policy processes can showcase the value of evidence and catalyse "learning-by-doing."** However, this requires identifying priority policy areas and problems, and establishing government ownership through an "accompanied" process, rather than an external partner doing the work themselves (Vogel & Punton, 2018: 92).
6. **Promoting the adoption of system wide EIPM approaches is important to lay the groundwork for future change.** Combining capacity support at multiple levels, through accompanying change and tailoring support to the context, can help create the conditions for government partners to genuinely adopt tools and processes, and use these to develop their own EIPM initiatives into the longer term. However, this will only be sustained if the EIPM agenda continues to be aligned with wider political incentives (Vogel & Punton, 2018: 93).

Evaluation of DFID India's education portfolio

In 2016, an independent evaluation was undertaken by ICF on the effectiveness of DFID's TA in transferring useful knowledge, skills and practices to key personnel in India's secondary education school delivery system, ultimately aiming to improve teaching and learning outcomes. It was one of the first major evaluations to look at a DFID TA portfolio, and was commissioned to help inform the transition of DFID India's support from TA and financial assistance to TA only *modus operandi*.

Some of the broader key findings from the evaluation on TA, especially related to DFID-management, tools and systems include:

- *TA can be used to develop complex systems, but purely technical solutions are not enough without a more robust emphasis on sustainability, cultural change and capacity transfer.*
- *Gender and equity issues are still crucial to TA practice, even when the majority of a programme is universal.*
- *The nature of TA requires learning during implementation*. TA is innovative (and inherently experimental and frequently catalytic) and therefore needs to define the development challenge through research and analysis, in order to work effectively and secure credibility.
- *Proof of concept should be demonstrated before scaling up or replication is attempted.* Given the expense and consequences of introducing ineffective systems into government practice, it is essential that DFID ensures that proof of concept is demonstrated to a reasonable degree before scaling up or replication.
- *The exercise of "soft" skills (i.e. developing and sustaining relations of trust and credibility with partners) underpins successful TA but is not adequately recognised in DFID management and review tools and systems.*
- *The logical framework (logframe) has inherent challenges as a tool for TA projects; Theory of Change is very relevant to TA and complements the logframe but needs to be adapted to fit the particular needs of TA*. For example, a logframe does not easily capture qualitative indicators, it assumes linear progression, it does not easily capture changes in enabling conditions over time and between 20-50% of work done by TA agencies in India was not captured in logframes. Whereas Theory of Change can be used to illustrate process as well as outcomes.
- *Value for Money analysis is difficult to apply to TA.* Formative evaluation data is not always available to underpin Value for Money judgements, particularly for assessing effectiveness and cost effectiveness.
- *It is not always easy to measure the results of TA.* The impact of TA is often downstream, so linear cause and effect models do not always work, and there are often difficulties in defining a "result."
- *The quality and experience of a DFID (Education) Adviser are critical determinants of TA effectiveness.* Both management and "soft" skills are needed.
- *DFID's management of TA would be improved if management tools and contracting criteria were modified.* Need for the development of smart monitoring tools and metrics from DFID centrally to provide a more uniform approach and stronger guidance with the emergence of a greater focus on TA-only approaches. This also requires much more emphasis on adaptive programming, learning, detailed experimentation, a focus on change, and a willingness to "fail" fast and alter course.

LASER and SAVI programmes

LASER (Legal Assistance for Economic Reform)[4] and SAVI (State Accountability and Voice Initiative, Nigeria) are two DFID funded programmes, both of which deal with significant issues of institutional change in complex environments and have been taking an adaptive approach to delivering development support (Derbyshire & Donovan, 2016). The key support mechanism in

[4] Focus countries were Bangladesh, Burma, Kenya, Uganda, Rwanda, Sierra Leone, Somaliland and Tanzania.

LASER is through TA, leveraging of other donor and pro bono support, and dissemination of research and information. SAVI's key support mechanisms are in-house state teams facilitating locally led change through decentralised adaptive planning, brokering relationships, mentoring, capacity building, and seed funding (Derbyshire & Donovan, 2016: 8).

Derbyshire and Donovan (2016) presented a joint paper on the programmes deriving a number of shared lessons on adaptive programming in practice. Key lessons highlighted on the implementation, management and monitoring of adaptative programming include (Derbyshire & Donovan, 2016: 4):

- *Contextual analysis:* Formal mechanisms need to be put in place for on-going analysis of the changing context, supporting staff and partners to analyse and respond to changing opportunities, momentum and constraints.
- *Learning by doing and adaptation:* From inception, programme design needs to incorporate space, time and funds for on-going reflection and learning by doing – from failure as well as success. It also requires investing in skills and systems for structured reflection, learning and adaptation.
- *Taking time:* Adaptive management approaches, capacities and relationships take time to evolve, and should not be undermined by pressure for quick wins.
- *Management:* Adaptive programming requires more sophisticated management, more management time, and more investment in management. Higher management costs need to be seen as, and demonstrated to be, investment in achieving greater impact rather than poor value for money.
- *Financial management:* Financial forecasting and management processes need to facilitate adaptive planning – allowing financial resources to be moved around and used in a flexible way – whilst still meeting donor requirements for accurate financial projections and value for money.
- *Monitoring:* Monitoring is key to adaptive programming – essential for internal learning and adaptation, rather than merely as an accountability tool. Monitoring and reflection should be built into the way a programme operates, and systems should be in place which allow adaptation as a result of learning at all levels of the programme.

LASER

LASER's provision of TA to assist developing countries to improve their investment climates is based on three key principles: (i) local ownership and leadership of reforms based on developing country (rather than donor) priorities; (ii) use of country (rather than donor programme) systems; and (iii) an understanding that the role of the donor/development practitioner is to support (rather than buy) reform (Manuel, 2016a: 3). These principles are derived from a range of ideas including problem-driven iterative adaptation; systems approaches; politically smart locally-led development; adaptive programming; doing development differently; and thinking and working politically (Manuel, 2016b). LASER has identified six key lessons that have emerged from the programme's application of the "hourglass" approach[5] on how to embed reform and then exit sustainably (Manuel, 2016a: 6-7):

[5] Key features of the "hourglass" approach to donor programming that addresses institutional reform, piloted in LASER, are: "(i) a much longer "scoping/design" process (typically 1-2 years), before programme "crystallisation";

1. *Focus on problems that are priorities for partners and where reform has in-built traction*. Sustainability is about ownership. LASER "buys in" to problems that developing country organisations, that have power to bring about change, care about, and takes "small bets" to support reform where there appears to be real traction for change.
2. *Work in a politically smart and flexible manner.* LASER engages with the power wielded (or not) by decision makers and champions, and the political will to drive changes forward. The programme considers the capacity of individuals and the maturity of the organisation involved to engage with LASER, develop solutions and implement changes. Combined with the inherent flexibility of an adaptive programme, this has allowed LASER to progress only those work streams most likely to be sustainable and to achieve long term impact.
3. *Facilitate contextually relevant solutions.* The role of LASER technical experts is not to deliver international best practice, but rather to facilitate the development of local solutions. This involves collaboration over an extended time, building relationships of trust, and working as colleagues with local partners to assist them to develop their own solutions.
4. *Consider affordability and value for money up front.* LASER's initial analysis during Phase 1 (out of 7) of the hourglass considers (among other things) the affordability and cost benefit of potential reforms. A reform that only works when it is underwritten by donor money is not sustainable long term.
5. *Use local systems, do not invent parallel ones.* LASER has no convening power of its own but works "behind the scenes" to support local reform processes. This may mean linking in with high level national planning and resource allocation processes, and with existing organisational structures and processes. Where new structures (e.g. a committee) are required, these are convened by the developing country partner, with LASER support where necessary.
6. *Leverage on-going funding and assistance where needed.* Part of LASER's offer is to help developing country partners to build partnerships and relationships so that they can leverage on-going funds or assistance.

Many of LASER's activities – training, capacity development, technical support – are conventional and have been undertaken in many donor institutional reform programmes. What is key is its approach, and the way it has gone about these activities focusing on the entry point and the way of working to ensure that reform is only supported where it is embedded within local processes (Manuel, 2016a). A Project Completion Review was completed in August 2017 for LASER in which it scored an A+ rating. Whilst LASER was found to have achieved its aims, it was too soon to assess the sustainability of the reforms that LASER has supported beyond the lifetime of the programme.[6]

(ii) a narrow entry point through a problem that local people who have power to bring about change care about; (iii) a new approach to scoping/design which focuses on learning by doing – iterating around problems to deconstruct them and facilitating local people to identify solutions that work for them; (iv) scoping/design phase characterised by no pre-determined programme budget or delivery mode: programme "form" should follow "function", and be determined near the end of the scoping/design phase; and (v) once the programme has "crystallised" and its delivery model and funding levels determined, the appropriate degree of flexibility for effective implementation should be maintained during the implementation phase, consistent with DFID Smart Rules and requirements for programme management" (Manuel, 2016b: 9). See Manuel (2016a, b) for details.

[6] See DFID (2017). *Project completion review 202647*. https://devtracker.dfid.gov.uk/projects/GB-1-202647/documents

SAVI (and other State Level Programmes in Nigeria)

Between 2008 and 2016, DFID spent over £400 million (USD489 million) on four State Level Programmes (SLPs) in Nigeria; these were designed as a comprehensive “suite” of programmes to improve public finance and management (SPARC), build capacity for voice and accountability (SAVI) and strengthen the management and delivery of basic services in education (ESSPIN) and primary healthcare (PATHS2). All four SLPs were implemented in five Nigerian states (Enugu, Jigawa, Kano, Kaduna and Lagos). SPARC and SAVI expanded into a further five states from 2012, and ESSPIN was also implemented in Kwara throughout (Ecorys et al., 2017).

A final evaluation of the four SLPs concluded that:

> “the SLPs had contributed across the five [Nigerian] states to improvements in capacity and systems and provided demonstrations of successful approaches to improving service delivery. However, there was limited evidence that improved sector management processes and successful delivery of capacity development has translated into improved system performance or development results. The type of improvements delivered by the SLPs may be necessary, but were not sufficient, to lead to improved system performance and service delivery” (Ecorys et al., 2017: iii).

The evaluation highlights a number of lessons for DFID’s strategy and portfolio of activities in Nigeria, but these could be applied more broadly in other contexts, lessons include (Ecorys et al., 2017: vi, 112-117):

- A long-term perspective for donor engagement is required.
- Flexible modes of engagement that allow resources to be switched between states are likely to have a greater impact than approaches that limit engagement.
- Improved service delivery requires strengthening centre of government functions and accountability, and improved sector policies and management.
- Institutional constraints need to be recognised and addressed. Advocacy work focusing just on upstream policy and planning delivered limited results, without corresponding attention also being paid to downstream implementation issues.
- The SAVI model of “facilitated partnership,” focusing on providing TA and mentoring was judged to be more effective than a challenge fund model of providing grants to civil society, particularly as it has moved towards a broader and more flexible form of engagement.
- Political leadership and reform commitment at state level is critical for determining the scope for successful support. Engagement with local government is also essential.
- The experience of the SLPs has shown that it is possible for DFID to engage effectively at state level to build capacity for planning and management, and to achieve reform to improve service delivery and access.
- Analytical work can help to understand the constraints on effective service delivery and achieving improved development performance, as well as to help build consensus and commitment.
- The electoral cycle (at both federal and state level) plays a critical role in determining the reform environment.

Public sector reforms in the UK and overseas

There is a general consensus in the development literature that much of the effort to help improve the effectiveness of government and reform public services has had limited impact (see references in Alari & Thomas, 2016: 11). Alari and Thomas (2016), in an Institute for Government report, explore the parallel lessons from experiences of public sectors reforms in the UK and overseas. The authors draw on a mix of their own experiences, practitioner reflection, case studies from the National School of Government International (NSGI),[7] research by the Institute for Government and lessons from research into aid interventions in developing countries. They identified three groups of interdependent success factors, which provide a model approach and series of key questions and recommendations that should be applied throughout an engagement with a recipient government. The success factors include (Alari & Thomas, 2016: 5-6):

Entry, context, local ownership and iteration

- Establish the relationships and trust needed to create entry points for a project
- Take time to understand and adapt to the context, drivers and local political dynamics that influence the pace and direction of change
- Ensure local ownership by making the project relevant to local priorities or problems, brokering local leadership of the changes and working with the politics
- Facilitate an iterative problem-solving process

People, learning and capability building

- Make careful and well-supported use of expert civil servants, advisers and consultants
- Learn by doing, working and reflecting with respected peers
- Build capability by changing patterns of work and behaviour

Design

- Design of the change and implementation is crucial to delivery
- Be selective and critical when drawing on UK experience and other good practice

They acknowledge that these "success factors are neither new nor surprising, but they have proved difficult to put into practice – in the UK as well as overseas" (Alari & Thomas, 2016: 6). They argue that there are important lessons for how outside advisers assess and improve their practice and also implications for how the UK Government prioritises, monitors and evaluates international support for public service reform and governance. Alari and Thomas (2016: 6) argue that these "success factors and their practical implications offer essential guidance on how to create the most value from such engagement" between UK departments in direct partnerships with counterpart institutions in developing countries.

[7] The National School of Government International (NSGI) is now known as the Government Partnerships International (Alari & Thomas, 2016: 48). It was created in 2012 as a cross-departmental unit and was envisaged to be a small, agile, cross-government unit supporting civil service reform outside of the UK, using UK civil servants from a range of departments in both short-and long-term advisory roles.

The Impact Programme

The Impact programme, launched in 2012 by DFID, aims to transform the market for social impact investment in South Asia and Sub-Saharan Africa, using TA alongside impact investments to support businesses to become commercially successful and have significant development impact. The programme has delivered outputs around financial management, and business operations. A briefing paper highlights the following lessons on TA (The Impact Programme, 2017: 7):

- *Ensure additionality through careful screening (requests need to be carefully screened to ensure they support catalytic "one off" - rather than recurrent - activities).*
- *Recognise the limitations of TA.*
- *Address constraints in service supply.*
- *Consider TA that helps address sector-level constraints.*
- *Actively engage with the TA ecosystem (which encompasses a range of actors from commercial service providers to development aid projects and other donors).*

5. Other donor studies

Some recent evaluations of non-UK funded TA are highlighted in this section:

Capacity development in Danida, Norad and Sida

A 2015 evaluation (Carneiro et al., 2015) of the Swedish contribution to capacity development in public-sector organisations, was one of three parallel evaluations commissioned by Sida, Danida and Norad on the topic. The evaluation was conducted in three steps: a portfolio screening project design documents of 29 interventions; an in-depth desk-based review of a shortlist of 13 interventions; and country studies in Bosnia and Herzegovina, Cambodia, and Kenya. The evaluation found that "Sida-supported interventions have contributed to capacity development results in [the] partner organisations" studied; capacity building "comprised the strengthening of individual knowledge and skills, as well as of methods, procedures and routines at the partner organisations" (Carneiro et al., 2015: 19). Interventions on partners' administrative structures or equipment, work environment and external factors were addressed to a lesser degree.

Evaluation findings providing some key lessons include (Carneiro et al., 2015: 117-119):

- *The role of change agents and champions can be clarified better: The Sida-supported interventions used individuals in the partner organisations but seldom clarified or prepared for the role. Using champions also depends on the context of the support.*
- *The results of the Swedish support were affected by elite interests, the timing of the interventions and the absorptive capacity of partners; it is important to align with these factors.*
- *A clear vision of how the results of the capacity development support strengthens joint efforts by Sida and partners is needed; a shared vision by Sida and its partners was seen to facilitate their aligning of efforts towards attaining capacity development results.*
- *An adequate understanding of the context at all levels of the intervention is critical for Sida and its partners.*

- *The adequate balance between pull and push approaches varied among Sida-supported interventions; Sida mostly supported processes from within the target organisations – i.e. it adopted a push approach.*
- *The quality of the results management frameworks varied between Sida-supported interventions, as did the extent to which they were effectively used in the day-to-day management of capacity development processes.*
- *Support to capacity development yields better results if it is sensitive and adapted to context, legitimate and adequate, and if it is oriented towards results.*

A final synthesis of the Sida evaluation with the other reports from Danida and Norad, highlights the following key learning (Sørensen & Carneiro, 2016):

- *The capacity development support by the Scandinavian donors is considered credible by its partners; Scandinavian-supported interventions helped strengthen capacity and performance in different sectors.*
- *Capacity gains may be threatened by financial instability and difficulties in retaining staff at the partner organisations*
- *A good understanding of the context is necessary for aligning the capacity development support to the needs, interests, priorities and capacities of the partners*
- *The capacity of the Scandinavian donors' staff and of technical advisors to manage capacity development processes varied considerably.*
- *Support to capacity development is more likely to succeed when the partners have some capacity to manage the process and to make use of the new capacities*
- *Recognising the interdependencies between the individual, organisational and institutional levels of capacity development is necessary for selecting the adequate modalities for support*
- *Whether and how to combine supply-and demand-side approaches in donor-supported capacity development needs to be assessed case-by-case*
- *Specific skills are required for monitoring and evaluating capacity gains*
- *Donor-supported interventions that are flexible and adaptable yield better results*
- *Support that combines a long-term commitment with "quick wins" is more likely to be efficient and lead to sustainable results*

USAID: Health Finance and Governance (HFG) project

USAID's Health Finance and Governance (HFG) project (2012-2018) had institutional capacity building as a core element. This could be split into two broad categories: developing foundational institutional capacity (e.g. strategy and planning, structure, performance management, and stakeholder engagement); and building institutional capacity to sustain technical streams of work (e.g. health accounts, health insurance, and domestic resource mobilisation). A briefing note sets out lessons learned based on HFG's institutional capacity building experience (USAID, 2018: 4-16):

- *Institutional capacity building is more likely to be sustainable when taking into account the larger system in which the organisation operates.* i.e. viewing institutional capacity building from a systems perspective, looking both internally at all the components of an organisation and how they interact with each other, and externally at other organisations that have a key impact on the functions of the institution.

- *Continuous engagement of senior leadership can have a major impact on the success of the institutional capacity building activity.* As leadership transitions are inevitable, building and maintaining relationships at all levels is essential for continued support.
- *Getting an institutional capacity building effort off the ground requires a participatory diagnostic, discussion of the results with the client, and agreement on the capacity strengthening plan and expected results.* All institutional capacity building efforts should begin with an institutional assessment tailored to the situation.
- *Institutional capacity building requires a specific set of skills in organisational development and training.* The knowledge and skills necessary to conduct institutional capacity building activities varies, depending on the objectives and the role of those involved.
- *System-level institutional capacity building efforts have much greater impact if they are designed and implemented over a longer period than the typical three- to five-year project cycle.*
- *Institutional capacity building efforts have better results when there is consistency in the approach over time, changing consultants and counterparts can be disruptive*.
- *Institutional capacity building efforts, which include the need for regular follow-up, are often more effective when carried out by local staff and consultants.*
- *Coaching and follow-up are essential components to ensure application of new systems and tools.* Too often such coaching and follow-up is not planned and budgeted for and, as a result, the gains are not sustained over time.

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About this report

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